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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

<hr/>		X	
			Chapter 11
In re:	:		
			Case No. 08-13555 (JMP)
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>	:		
			(Jointly Administered)
Debtors.	:		
<hr/>		X	

**STATEMENT OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS IN SUPPORT OF DEBTORS' MOTION FOR
(I) APPROVAL OF STIPULATION AND ORDER REGARDING
CHAPTER 11 PLANS AND (II) STAY OF RELATED DISCOVERY**

The Official Committee of Unsecured Creditors (the "Committee") appointed in the chapter 11 cases of Lehman Brothers Holdings Inc. ("LBHI") and each of its affiliated debtors in possession (collectively, the "Debtors"), hereby files this statement in support of the Debtors' motion, dated July 6, 2011 [Docket No. 18306] (the "Motion"),¹ for (i) approval of a stipulation and order regarding chapter 11 plans and (ii) stay of related discovery.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

STATEMENT

1. For the past year and a half, the Committee has been actively involved with the Debtors in the plan development process to promote the interests of all unsecured creditors. In June 2011, the Committee participated in intensive negotiations with the Debtors and many of the Debtors' principal economic stakeholders to promote a global settlement of the various issues that have arisen in these cases, including (without limitation) substantive consolidation of the estates of the Debtors and certain of their affiliates and the characterization of intercompany debts owed among LBHI and its affiliates. After protracted negotiations among the Debtors, the Committee and the creditor groups, these issues were resolved by way of a global compromise. This compromise is reflected in the Debtors' recently filed second amended joint chapter 11 plan (the "Debtors' Plan"), which has the support of many of the Debtors' largest creditors, holding more than \$100 billion in claims collectively, including all of the proponents of the competing plans that have been filed with the Court. Thirty of these creditors have executed plan support agreements with respect to the Debtors' Plan (the "PSAs").

2. The Committee has consistently advocated for a consensus plan, to the extent one could be achieved while adhering to the Committee's assessment of the legal risks associated with the key legal issues relevant to the Debtors' cases. Without the support of a critical mass of their creditors, the Debtors and their creditors would need to incur substantial costs in litigating the issues identified above, among others, which would significantly delay the resolution of these cases to the detriment of the Debtors' unsecured creditors. While certain issues in connection with the Debtors' Plan have yet to be resolved, the Committee is optimistic that the Debtors' Plan can be successfully confirmed by the end of this year. Accordingly, at this time, the Committee supports the structure of the Debtors' Plan and the settlements contained

therein as reflecting a fair compromise of already-resolved disputes and providing an effective platform for final resolution of these cases.

3. As explained in the Motion, the Court's approval of the Stipulation is a precondition to the PSAs, which, in turn, are essential to the plan process. Accordingly, the Committee, as the fiduciary for the Debtors' unsecured creditors, supports the Debtors' request for authorization to take actions necessary to uphold the PSAs.

4. The Committee also supports the Debtors' request for a stay of all discovery under the Order Establishing Schedule and Procedures in Connection with Discovery Related to Plan Confirmation and Other Issues [Docket No. 16003] (the "Discovery Protocol"). First, the stay is required by the Stipulation and, therefore, is a necessary component of the PSAs. Second, the Committee believes that discovery under the Discovery Protocol, which was developed to address issues relating to a competing plan process, may no longer be appropriate in light of the recent settlements.

5. Specifically, many of the 878 consolidated document requests served upon the Debtors were interposed on behalf of entities that are now parties to the PSAs. Accordingly, these document requests, as well as all other discovery served under or contemplated by the Discovery Protocol, have significantly less relevance to the confirmation process. For this reason, a stay of all discovery under the Discovery Protocol is in the best interest of all parties.

6. Although the Committee supports the stay of plan discovery under the Discovery Protocol, the Committee believes that some discovery will continue to be necessary in connection with the confirmation of the Debtors' Plan. Accordingly, the Committee intends to work with the Debtors and the other parties in interest on developing a revised discovery

protocol or otherwise ensure that the plan-related discovery proceeds in an orderly and efficient manner.

CONCLUSION

For the foregoing reasons, the Committee respectfully requests that the Court grant (a) the Motion, and (b) such other relief as the Court deems just.

Dated: New York, New York
July 18, 2011

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